



HR1123

LRB099 21189 GRL 46540 r

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HOUSE RESOLUTION

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WHEREAS, The Medicaid program in Illinois has an immense and growing impact both in terms of taxpayer dollars and in terms of the effect it has on citizens across the State; and

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WHEREAS, State resources for healthcare services are currently so scarce that many healthcare providers are discontinuing services, leading to a profoundly detrimental impact on our communities; and

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WHEREAS, Enrollment under the Department of Healthcare and Family Services Medical Programs (Medicaid) exceeds 3 million; and

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WHEREAS, A sizable portion of the Medicaid population is currently enrolled (often mandatorily) in Managed Care Organizations (MCOs), making outlays to MCOs one of the largest resource uses in the State; and

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WHEREAS, There has been little information disseminated to the General Assembly in terms of how State resources are being spent on MCOs and on the overall healthcare outcomes for individuals enrolled in these MCOs; and

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WHEREAS, In this quickly evolving environment, the General

1 Assembly must stay engaged in Medicaid funding and
2 corresponding healthcare outcome issues and be prepared to make
3 legislative and administrative recommendations; therefore, be
4 it

5 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
6 NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
7 request that the Auditor General of the State of Illinois
8 conduct an audit of Medicaid MCO capitation payment
9 development, State GRF expenditures on MCOs, and a review of
10 healthcare outcomes for Medicaid individuals enrolled in MCOs;
11 and be it further

12 RESOLVED, That this audit shall examine capitation rate
13 setting and reimbursement issues for Medicaid MCOs while also
14 examining healthcare outcomes for the Medicaid MCO population
15 with respect to the following issues:

16 (1) whether the use of MCO encounter data for rate
17 setting purposes would provide Illinois taxpayers a more
18 accurate and value-based methodology as opposed to the
19 current practice of using historical fee-for-service (FFS)
20 data combined with various inflationary assumptions to
21 estimate an MCO capitation rate;

22 (2) whether it is the best use of State resources to
23 pay the ACA Health Insurance Fee for MCOs and an
24 examination of the "gross-up" (the additional monies paid

1 MCOs to compensate for their tax hit) in the context of
2 whether this unusual benefit is a good value for Illinois
3 taxpayers;

4 (3) how the effective Administration rate Illinois
5 pays MCOs (14.74% effective rate) compares to rates paid in
6 other states and how this benefits the Illinois taxpayer;
7 and

8 (4) whether Emergency Room usage rates are lower or
9 higher within the Medicaid MCO population compared to rates
10 within the Medicaid FFS population; and be it further

11 RESOLVED, That legislative staff shall assist the Office of
12 the Auditor General in carrying out this audit should the
13 Auditor General require assistance; and be it further

14 RESOLVED, That suitable copies of this resolution be
15 delivered to the Auditor General and the Director of the
16 Department of Healthcare and Family Services.